

# Exhibit 13

*March 20, 2019 Email from Marsh USA to East Penn  
with attached Operational Loss Prevention Gap Assessment*

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**To:** trgreiss@dekabatteries.com  
**CC:** Hladczuk, Steven M  
**Sent:** 3/20/2019 6:03:09 PM  
**Subject:** Operational Loss Prevention gap Assessment  
**Attachments:** East Penn Operational Loss Prevention Gap Assessment.pdf

Hi Troy

Attached please find the report for your review.

We look forward to discussing this with you tomorrow and getting your feedback.

Thank you

Therese

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**EXHIBIT**

**Exhibit 19**

exhibit19.com

# MARSH RISK CONSULTING

RISK. DISPUTES. STRATEGY.



## ***EAST PENN MANUFACTURING*** **OPERATIONAL LOSS PREVENTION GAP ASSESSMENT** **FEBRUARY 2019**

Therese Perrette CIH, CSP  
Senior Vice President  
Marsh Risk Consulting  
Morristown, New Jersey

**EXHIBIT**

**Exhibit 19A**

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# 1

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## Executive Summary

An Operational Loss Prevention Gap Assessment (OPS Gap) was conducted February 2019, at East Penn's Lyons Station, PA facility. An OPS Gap is designed to analyze underlying culture and performance across the entire safety continuum. The complete OPS Gap contains 36 Key Performance Indicators (KPI) and its output is a continuous risk improvement plan. Marsh also categorizes each of the 36 KPIs into organizational safety essentials to check the health of a company's safety culture: Planning, Implementation, Evaluation and Improvement. The framework of the survey consists of discrete best practice dimensions and incorporates the continuous improvement Deming Cycle (Plan – Do – Check – Act).

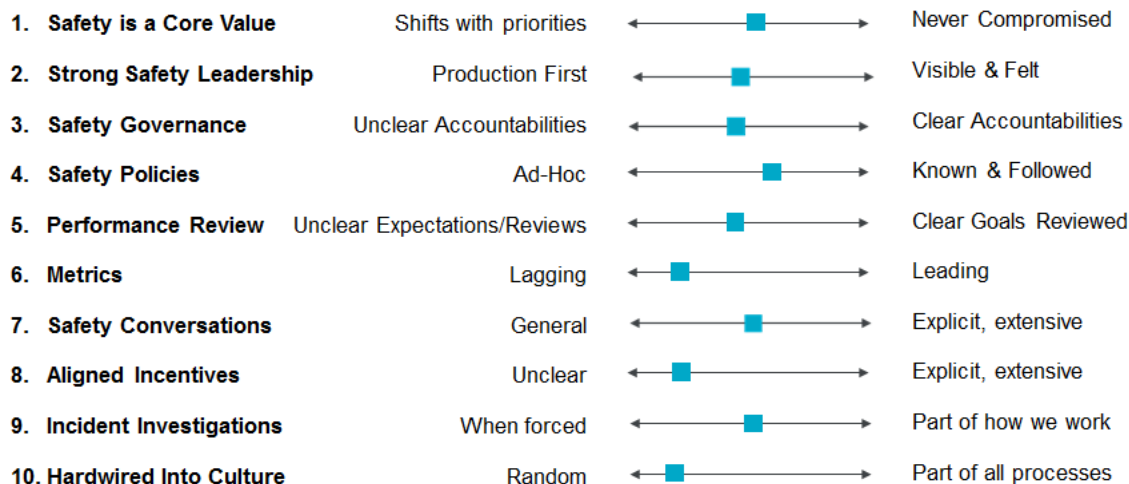
Marsh's review of policies, procedures and documentation indicated that East Penn has implemented many controls and initiatives to improve safety performance. At the same time, it is clear that significant strategic and tactical opportunities exist to drive further improvements.

Several positive processes were noted during the interview process that can be capitalized on:

- ✓ Safety personnel are visible and considered an asset
- ✓ IH Risk Assessments are routinely conducted
- ✓ Senior Management exhibits strong safety commitment
- ✓ Site wide goal of 4 known by most employees
- ✓ Many feel a sense of empowerment (will troubleshoot first)
- ✓ Work instructions are available and include safety requirements
- ✓ Shift startup inspections every 2 weeks
- ✓ On the job training checklist

Marsh believes East Penn can use some improvement in their loss prevention program and should concentrate on sustainability and accountability by all employees. Safety culture is commonly defined as common practices, shared attitudes and perceptions that influence behavioral choices at work and away. Experience has taught us that several things influence a culture, such as location, leadership, supervisory styles, peer pressure, workplace conditions and logistics, to name a few.

While performing the loss prevention assessment, East Penn's safety culture is evaluated and summarized in the key points below:



This chart, along with the recommendations within this report, help layout the baseline and the groundwork for improvement.

This report is set out as follows:

- Section 2, Introduction, describes the starting point and assessment protocol.
- Section 3, Design Approach, describes the activities taken to lead to this report.
- Section 4, Recommendations, provides an overview of the main focus areas.
- Appendix 1, Key Elements, contains summaries of the survey assessments, by group; Health & Safety, Plant Managers, Senior Managers and Marsh' analysis based on interviews. From these key elements, Marsh has identified the top 10 KPIs and secondary 10 KPIs, which are presented in detail in Appendix 2, Detailed Observations.
- Appendix 2, Detailed Observations, These KPIs are developed from a combination of all surveys, both the on line survey and in person interviews.

# 2

## Introduction

East Penn Manufacturing is committed to providing a work environment that ensures and improves the health and safety of all employees. Leadership is interested in continuous risk management improvement and driving toward a “best-in-class” risk management system that leads to attracting and retaining the right type of workforce.

The objective of Marsh’s engagement is to help address East Penn Manufacturing’s desire to identify and systemically address identified gaps in its current loss prevention management system, evaluate the effect of those gaps on the organization’s loss prevention and risk management culture, and recommend systems to assure that improvements are sustained.

Marsh understands that East Penn Manufacturing’s goal is to determine how well loss management practices are imbedded within the organization’s culture. East Penn Manufacturing’s loss management culture is the result of the effectiveness of internal systems and processes, the quality and maintenance of equipment, leadership communication effectiveness, and how people in general interact in their work environments. An optimized loss prevention management system that controls variability in the manner in which front line employees perform work each day provides the best opportunity for a meaningful, positive safety culture.

The total incurred cost of claims hit a high in 2015 and has been declining; however the incurred costs still exceed 1.5 million in 2018. Note: these are undeveloped costs and subject to change. Note: 2018 data is estimated, losses after September 2018 are not included.

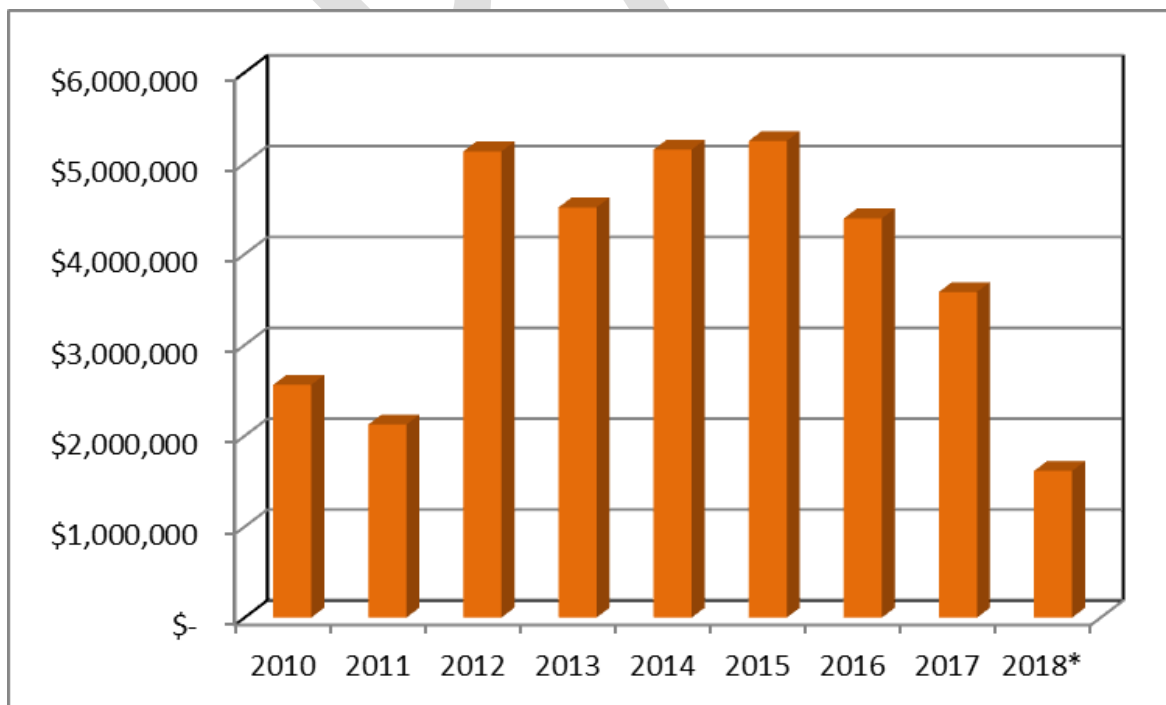


Figure 1 Total Cost Incurred\* by Year (2018 not fully calculated to year end)

A majority of the claims (>50%) in the past 8 years are due to strains and sprains. Most strains/sprains “accidents” are caused by the “unsafe acts of persons” as opposed to “unsafe mechanical or physical conditions.” Human failure such as poor body mechanics is the primary cause of accidents. Nearly 50% of all workers compensation claims occur with employees new to the job, or newly transferred, in their first year. 78% of all claims occur with the first 3 years on the job.

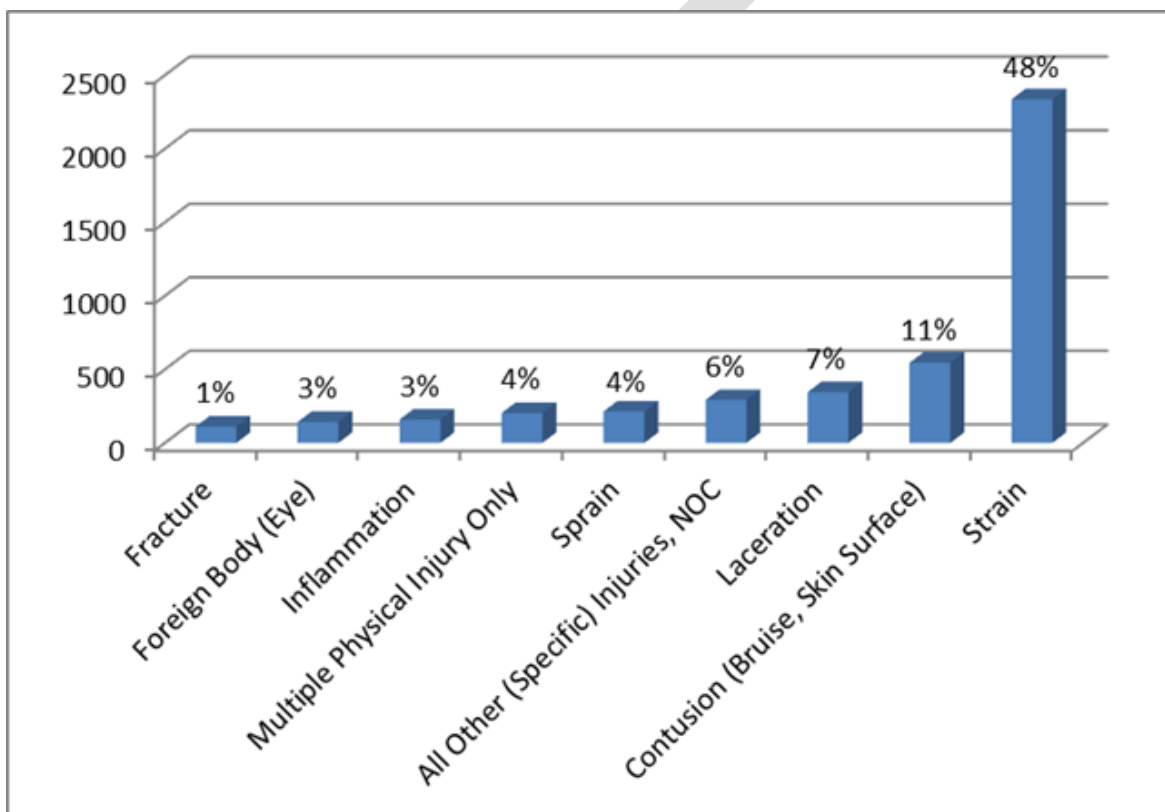


Figure 2 Claims by Type of Injury (2010 – 2018)

Three keys to controlling WC cost are 1) a robust loss prevention program, 2) a return to work (RTW) program, and 3) an active claims management process.

East Penn is taking strides to improve their loss prevention program. These improvements include pre-employment physical demands testing for select jobs, plans to institute department trainers and plans to create a trainer position with the departments for consistent on the job training. East Penn also proactively manages potential worker compensation injuries through the medical department. Employees are encouraged to report all minor cuts, scrapes, aches or discomforts to prevent increased injuries. These symptoms are then addressed “in house” by a facility nurse.



East Penn's loss prevention program currently supports the front end of claims management, with their loss prevention program, but can improve after a worker compensation claim has been initiated. The Claims Closure Summary, Figure 3, illustrates a lag period in claims closure. Note: 2018 data is estimated, losses after September 2018 may not be included.

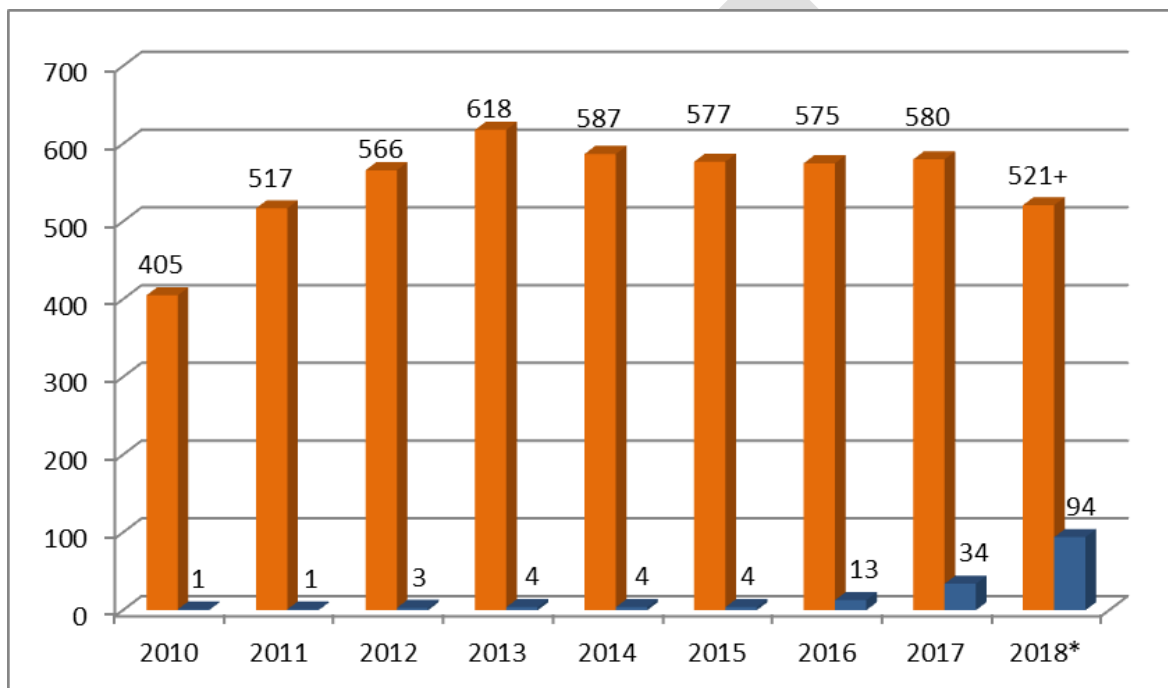


Figure 3 Claim Closure Summary, Total Claims (Orange) vs Open Claims (Blue)

# 3

## Design Approach

East Penn commissioned Marsh to undertake an Operational Loss Prevention Gap Assessment at their Lyons Station, PA facility and to develop insights and recommendations to inform future planning. To address this assignment, Marsh split the activity set into two distinct activities: an on line survey for select management personnel and a hands on interview with employees while they performed their routine jobs.

This review used the Marsh Operational Loss Prevention Gap Assessment framework as the lens to classify the materials against generic best practice. The survey is designed to analyze underlying culture and performance across the entire safety and loss prevention continuum. The complete OPS Gap contains 36 Key Performance Indicators (KPI). The framework consists of the survey consists of discrete best practice dimensions and incorporates the continuous improvement Deming Cycle (Plan – Do – Check – Act).

The Operational Loss Prevention Gap Assessment was completed over several days in February, 2019. The assessment began with an on-line survey which was made available to Health and Safety, Plant Managers and Senior Managers.

Survey responses totals:

Group	Number asked to Participate	Number of Respondents
Health & Safety	22	12
Plant Managers	23	17
Senior Managers	9	8

Note: Three respondents selected “Supervisor” as their job function; these were placed in the “Plant Manager” category. There were also some other minor discrepancies in job functions, these were placed where they best fit.

On site activities consisted of face to face employee and supervisor interviews, which took place over all three shifts. Buildings A1, A2, A3, A4, and S1 were visited, with a focus on the Compupress (Stripmaking/Punch), Enveloping, Rawfill, and Finish departments.

# 4

## Implications and Recommendations

Based on the on line survey and in person interviews, Marsh has developed a list of potential next steps through recommendations with associated strategies. Additional details and recommendations may be found in Appendix 2.

Recommendations	Strategies
Develop a corporate safety mandate to include a commitment to establish an organization wide safety management framework.	The data analysis identified many areas to focus improvement opportunities to realize some of the suggested gains. The analysis also suggested that many best practices are currently in-place. A corporate mandate will provide the clarity and impetus to move to an integrated safety framework with the expectation that this will drive improved safety outcomes and an associated reduction in spending associated with Workers' Compensation. This mandate should also acknowledge that improvement in this domain must be seen as a continual journey.
Select a safety management framework and develop corporate policies and standards and operating procedures.	This item recommends the definition, development and roll out of an East Penn safety management framework. To provide flexibility and to acknowledge that many best practices are currently in existence, the management system should consist of policies and standards developed at the corporate level which define the safety requirements for each department to conform to. These procedures would be audited annually and conformance tested. In addition, an annual management review would identify opportunities to improve the management system, thereby embedding a continuous improvement philosophy at the heart of the management system.
Based on the survey activities, prioritize the identified gaps and then develop a plan to close these gaps. Seek executive support for the plan and then acquire the resources to deliver on the plan.	Areas to examine initially may include: - Enhancing On the Job Safety Training (key indicator: injured employees with a length of service of <1 year). - Re-evaluate H&S staffing - Implementation of OHSAS 18001
Ensure all employees participate in development and implementation of risk management programs.	Identify risk management programs that need development and solicit input from represented workers. ( <i>Consider the following: RTW, rewards, training, hazard assessments.</i> )
Establishing policies, procedures and systems for program(s).	Document expectations and standards for current safety practices.
Collect data to track improvements and identify areas needing improvement.	Create a dashboard to track leading indicators and improvements.
Providing feedback of site successes to all employees.	Celebrate great safety performance e.g. reduction in recordables, reduction in WC cost.

Supervisor accountability – engagement	Define specific activities that can be integrated with the supervisor's or manager's other tasks and demands, including: Practice safety-critical behaviors, build the culture Make regular safety contacts Track leading indicators
Supervisors are responsible for leading their department to success through safety compliance hurdles by applying safe work practices. Supervisor training should define their responsibilities and accountabilities to safety.	Provide supervisors with training on (for example): Supervisor responsibility for safety Hazard recognition and control Incident investigation (beyond 5 Why)
Employee participation in safety	Most employees may be aware that there is a safety committee and safety suggestion box, but beyond this, do not take an active role in safety. Employees may be engaged through more involvement in toolbox talks, a safety communication board with an "idea campaign", active area inspections, etc.
Effective discipline program	Some behaviors (such as incomplete lockout tagout) have become acceptable due to production and time demands. Often rule violations are addressed via a verbal discussion with no follow up. Supervisors should be aware of those actions that require discipline and it needs to be administered in a consistent and fair manner,
Supervisor driven employee safety awareness	See Employee participation in safety (above).
LOTO length of time and procedures don't address all hazards.	A major factor for individuals not correctly applying the lockout standard is most likely that they do not have a personnel association with the hazards and risks they are taking. A continuous improvement approach may result in better procedures, better understanding of the hazards and better retention of training concepts (Plan, Do, Check, Act)
Employee OJT checklist subject to interpretation, trained from personal experience, inconsistent	There are already plans in place to "assign" a trainer to each department to provide consistency.
Disparity between departments on how safety info is shared	See communication boards. There is an opportunity to collect and share best practices in this area.
Communication boards consistency	Create a communication board dedicated to safety: Signed safety policy Safety cross (injury trending, hazard reporting, safety opportunities) Shift startup inspection results Work order closures Tailgate information Safety opportunities i.e. suggestion box
Lagging indicator site wide goal of 4	East Penn would benefit from leading safety indicators (for example): - closed inspection findings - timely and quality incident investigation closure, - safety training compliance - near miss reporting - leadership safety conversations.

## Appendix 1- Key Elements

The following pages provide a detailed snapshot of East Penn's current loss prevention program. Three (3) separate functions were asked to participate in an on line survey. The results of those surveys were tabulated are depicted here:

- Health and Safety Department Survey results
- Plant Manager Survey results
- Senior Management Survey results
- Marsh Survey results; based on in person interviews of over 50 employees

Each of the four executive summaries describes the top three focus areas based on the assessment results. Although each of the four summaries differs slightly, there is a recurrent theme that drives the recommendations in Appendix 2.

Common focus areas for the four groups are:

- 11. Employee participation
- 14. Manager and Supervisor engagement
- 23. Manager and Supervisor training
- 35. Self-audit of Programs

## Health Safety Survey Results

### WORKFORCE STRATEGIES OPERATIONAL SAFETY ASSESSMENT EXECUTIVE SUMMARY



#### COMPANY INFORMATION

Company	East Penn
Level	The entire organization having multiple divisions and/or multiple locations.
Contact	Troy Greiss
Email	trgreiss@dekabatteries.com
Title/Position	Health & Safety
Industry	Manufacturing
Employees	5,001 - 10,000
Drivers	1 - 100
Revenue	\$2.5 - 5 billion

#### YOUR TRENDS

Workers Compensation Frequency
Workers Compensation Severity
Auto Liability Frequency

#### ITEMS YOU LISTED AS TOP FOCUS AREAS

- 1 | Workplace Safety
- 2 | Hazard Recognition and Risk Assessment
- 3 | Leadership Engagement
- 4 | Employee Training
- 5 | Supervisor Training

#### SAFETY CONTINUUM



#### TOP THREE FOCUS AREAS BASED ON ASSESSMENT RESULTS

##### 1 | Management and Supervisor Engagement (14)

Managers and supervisors should take ownership of the safety program and have an active role in all aspects such as training, hazard inspections, risk assessments, new process reviews, incident investigations, etc. Employees should be able to communicate specific examples of management's commitment to safety.

##### 2 | Manager and Supervisor Safety Training (23)

Mandatory safety training should be provided to newly hired or newly appointed managers and supervisors. Responsibilities and procedures for all parties should be clearly defined and easily accessible. These materials should be updated periodically, at least every year. There should be a test for knowledge to confirm training effectiveness. Managers and supervisors should be able to demonstrate their understanding of this training.

##### 3 | Disciplinary Program (30)

A disciplinary process should be established and used for dealing with safety performance issues. The process should include specific language that applies to safety related non-compliance issues and may even call out specific circumstances requiring prescribed disciplinary action. Examples of safety related disciplinary actions should be made available. Observations confirm the level of compliance.



### Health Safety Survey Results

#### WORKFORCE STRATEGIES OPERATIONAL SAFETY ASSESSMENT East Penn



#### ● OPERATIONAL SAFETY ASSESSMENT RATING

#### ● SYSTEM PLANNING

- 1. Senior Management Expectations
- 2. Safety Planning and Control
- 3. Manager and Supervisor Safety Goals
- 4. Provision of Adequate Resources
- 5. Safety Personnel
- 6. Risk Assessment
- 7. Industrial Hygiene Risk Assessment
- 8. Management of Change
- 9. Legal and Corporate Compliance
- 10. Staying Current with Regulatory Obligations
- 11. Employee Participation
- 12. Safety Management System Plan

#### ● ADMINISTRATION

- 13. Senior Management Commitment
- 14. Management and Supervisor Engagement
- 15. Safety Policy
- 16. Safe Work Procedures
- 17. Emergency Planning
- 18. Contractor Management
- 19. Preventive Maintenance
- 20. Document Management
- 21. Safety Orientation
- 22. Ongoing Safety Training
- 23. Manager and Supervisor Safety Training
- 24. Training Management System
- 25. Communications
- 26. Reporting of Hazards
- 27. Safety Committees
- 28. Employee Engagement and Consultation

#### ● MONITORING

- 29. Monitoring of Safety Performance
- 30. Disciplinary Program
- 31. Loss Analysis and Trending
- 32. Safety Audits
- 33. Corrective Action Management
- 34. Incident Reporting and Investigation
- 35. Self Audit of Programs

#### ● CONTINUOUS IMPROVEMENT

- 36. Annual Safety Management Review

#### LEGEND

- Best Practice
- Functional
- Improvement Opportunities
- Development Opportunities
- Not Applicable or Not Evaluated

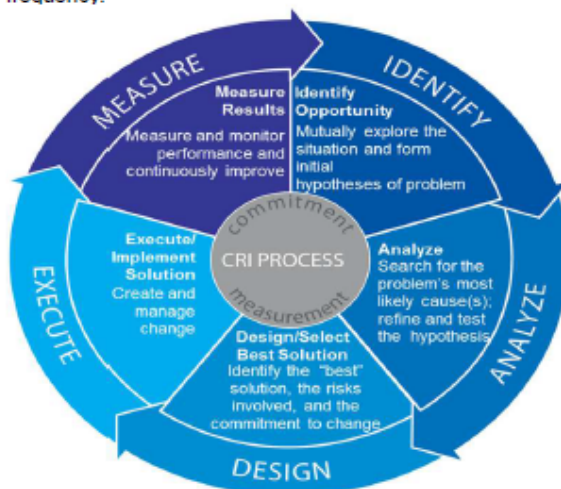
#### Current areas you are focused on:

- 1 | Workplace Safety
- 2 | Hazard Recognition and Risk Assessment
- 3 | Leadership Engagement
- 4 | Employee Training
- 5 | Supervisor Training

#### Your trends:

- Workers Compensation Frequency
- Workers Compensation Severity
- Auto Liability Frequency

The rating for each Safety Management System element is based on Marsh's observations during the Operational Safety Assessment. Consideration should be given to each criteria and how it might positively or negatively affect your safety metrics and trends. A more detailed analysis is attached to this summary - please review each element and determine if it accurately describes the current state of each Safety Management System element. Three areas of focus are ranked on the Executive Summary based on this Assessment and represent elements, that if improved, will improve the overall Safety Management System and reduce incident frequency.



## Plant Manager Survey Results

### WORKFORCE STRATEGIES OPERATIONAL SAFETY ASSESSMENT EXECUTIVE SUMMARY



#### COMPANY INFORMATION

Company	East Penn
Level	The entire organization having multiple divisions and/or multiple locations.
Contact	Troy Greiss
Email	trgreiss@dekabatteries.com
Title/Position	Health & Safety
Industry	Manufacturing
Employees	5,001 - 10,000
Drivers	1 - 100
Revenue	\$2.5 - 5 billion

#### YOUR TRENDS

Workers Compensation Frequency
Workers Compensation Severity
Auto Liability Frequency

#### ITEMS YOU LISTED AS TOP FOCUS AREAS

- 1 | Workplace Safety
- 2 | Hazard Recognition and Risk Assessment
- 3 | Leadership Engagement
- 4 | Employee Training
- 5 | Supervisor Training

#### SAFETY CONTINUUM



#### TOP THREE FOCUS AREAS BASED ON ASSESSMENT RESULTS

##### 1 | Employee Participation (11)

Supervisors and employees should be trained to conduct audits for unsafe acts and be active in safety meetings including presenting topics. Management should solicit input from employees on a wide range of safety and health issues, including promotional programs, safety rules and procedures, and recommendations for safety controls.

##### 2 | Manager and Supervisor Safety Training (23)

Mandatory safety training should be provided to newly hired or newly appointed managers and supervisors. Responsibilities and procedures for all parties should be clearly defined and easily accessible. These materials should be updated periodically, at least every year. There should be a test for knowledge to confirm training effectiveness. Managers and supervisors should be able to demonstrate their understanding of this training.

##### 3 | Self Audit of Programs (35)

A written Safety Audit Program should be in place that outlines the frequency and methodology for reviewing all safety program elements on an annual basis. The audit process should assess program effectiveness, compliance with regulatory requirements (where applicable), and reflect actual work practices. Results should be documented and corrective actions are created when necessary.



### Plant Manager Survey Results

#### WORKFORCE STRATEGIES OPERATIONAL SAFETY ASSESSMENT East Penn



#### OPERATIONAL SAFETY ASSESSMENT RATING

#### SYSTEM PLANNING

1. Senior Management Expectations
2. Safety Planning and Control
3. Manager and Supervisor Safety Goals
4. Provision of Adequate Resources
5. Safety Personnel
6. Risk Assessment
7. Industrial Hygiene Risk Assessment
8. Management of Change
9. Legal and Corporate Compliance
10. Staying Current with Regulatory Obligations
11. Employee Participation
12. Safety Management System Plan

#### ADMINISTRATION

13. Senior Management Commitment
14. Management and Supervisor Engagement
15. Safety Policy
16. Safe Work Procedures
17. Emergency Planning
18. Contractor Management
19. Preventive Maintenance
20. Document Management
21. Safety Orientation
22. Ongoing Safety Training
23. Manager and Supervisor Safety Training
24. Training Management System
25. Communications
26. Reporting of Hazards
27. Safety Committees
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#### MONITORING

29. Monitoring of Safety Performance
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#### CONTINUOUS IMPROVEMENT

36. Annual Safety Management Review
-------------------------------------

#### LEGEND

Best Practice
Functional
Improvement Opportunities
Development Opportunities
Not Applicable or Not Evaluated

#### Current areas you are focused on:

1   Workplace Safety
2   Hazard Recognition and Risk Assessment
3   Leadership Engagement
4   Employee Training
5   Supervisor Training

#### Your trends:

Workers Compensation Frequency
Workers Compensation Severity
Auto Liability Frequency

The rating for each Safety Management System element is based on Marsh's observations during the Operational Safety Assessment. Consideration should be given to each criteria and how it might positively or negatively affect your safety metrics and trends. A more detailed analysis is attached to this summary - please review each element and determine if it accurately describes the current state of each Safety Management System element. Three areas of focus are ranked on the Executive Summary based on this Assessment and represent elements, that if improved, will improve the overall Safety Management System and reduce incident frequency.



## Sr Management Survey Results

### WORKFORCE STRATEGIES OPERATIONAL SAFETY ASSESSMENT EXECUTIVE SUMMARY



#### COMPANY INFORMATION

Company	East Penn
Level	The entire organization having multiple divisions and/or multiple locations.
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Revenue	\$2.5 - 5 billion

#### YOUR TRENDS

Workers Compensation Frequency
Workers Compensation Severity
Auto Liability Frequency

#### ITEMS YOU LISTED AS TOP FOCUS AREAS

- 1 | Workplace Safety
- 2 | Hazard Recognition and Risk Assessment
- 3 | Leadership Engagement
- 4 | Employee Training
- 5 | Supervisor Training

#### SAFETY CONTINUUM



#### TOP THREE FOCUS AREAS BASED ON ASSESSMENT RESULTS

##### 1 | Manager and Supervisor Safety Goals (3)

Measurable safety goals should be established for each manager and supervisor. Goals would include both activity and results based targets focused on the risks faced in the assigned areas of responsibility. Managers and supervisors should be well versed in their individual goals and actively working towards achieving those goals.

##### 2 | Training Management System (24)

An system should be established where the training needs for each employee have been identified and used to create a training schedule. Training dates should be logged in upon completion of the training allowing training gaps to be readily identified. Training results should be reviewed on a monthly basis by senior management to assure compliance with the training schedule.

##### 3 | Self Audit of Programs (35)

A written Safety Audit Program should be in place that outlines the frequency and methodology for reviewing all safety program elements on an annual basis. The audit process should assess program effectiveness, compliance with regulatory requirements (where applicable), and reflect actual work practices. Results should be documented and corrective actions are created when necessary.

Sr Management Survey Results

WORKFORCE STRATEGIES OPERATIONAL SAFETY ASSESSMENT  
 East Penn



OPERATIONAL SAFETY ASSESSMENT RATING
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12. Safety Management System Plan
ADMINISTRATION
13. Senior Management Commitment
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15. Safety Policy
16. Safe Work Procedures
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CONTINUOUS IMPROVEMENT
36. Annual Safety Management Review

LEGEND
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Functional
Improvement Opportunities
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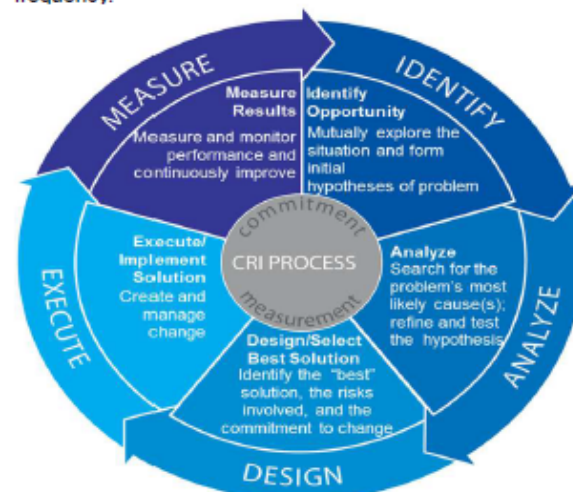
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## Marsh Survey Results

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#### COMPANY INFORMATION

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Level	The entire organization having multiple divisions and/or multiple locations.
Contact	Troy Greiss
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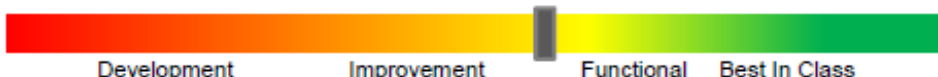
#### YOUR TRENDS

Workers Compensation Frequency
Workers Compensation Severity
Auto Liability Frequency

#### ITEMS YOU LISTED AS TOP FOCUS AREAS

1   Workplace Safety
2   Hazard Recognition and Risk Assessment
3   Leadership Engagement
4   Employee Training
5   Supervisor Training

#### SAFETY CONTINUUM



#### TOP THREE FOCUS AREAS BASED ON ASSESSMENT RESULTS

##### 1 | Employee Participation (11)

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## Marsh Survey Results

### WORKFORCE STRATEGIES OPERATIONAL SAFETY ASSESSMENT

East Penn



#### ● OPERATIONAL SAFETY ASSESSMENT RATING

#### ● SYSTEM PLANNING

● 1. Senior Management Expectations
● 2. Safety Planning and Control
● 3. Manager and Supervisor Safety Goals
● 4. Provision of Adequate Resources
● 5. Safety Personnel
● 6. Risk Assessment
● 7. Industrial Hygiene Risk Assessment
● 8. Management of Change
● 9. Legal and Corporate Compliance
● 10. Staying Current with Regulatory Obligations
● 11. Employee Participation
● 12. Safety Management System Plan

#### ● ADMINISTRATION

● 13. Senior Management Commitment
● 14. Management and Supervisor Engagement
● 15. Safety Policy
● 16. Safe Work Procedures
● 17. Emergency Planning
● 18. Contractor Management
● 19. Preventive Maintenance
● 20. Document Management
● 21. Safety Orientation
● 22. Ongoing Safety Training
● 23. Manager and Supervisor Safety Training
● 24. Training Management System
● 25. Communications
● 26. Reporting of Hazards
● 27. Safety Committees
● 28. Employee Engagement and Consultation

#### ● MONITORING

● 29. Monitoring of Safety Performance
● 30. Disciplinary Program
● 31. Loss Analysis and Trending
● 32. Safety Audits
● 33. Corrective Action Management
● 34. Incident Reporting and Investigation
● 35. Self Audit of Programs

#### ● CONTINUOUS IMPROVEMENT

● 36. Annual Safety Management Review
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#### LEGEND

● Best Practice
● Functional
● Improvement Opportunities
● Development Opportunities
● Not Applicable or Not Evaluated

#### Current areas you are focused on:

1   Workplace Safety
2   Hazard Recognition and Risk Assessment
3   Leadership Engagement
4   Employee Training
5   Supervisor Training

#### Your trends:

Workers Compensation Frequency
Workers Compensation Severity
Auto Liability Frequency

The rating for each Safety Management System element is based on Marsh's observations during the Operational Safety Assessment. Consideration should be given to each criteria and how it might positively or negatively affect your safety metrics and trends. A more detailed analysis is attached to this summary - please review each element and determine if it accurately describes the current state of each Safety Management System element. Three areas of focus are ranked on the Executive Summary based on this Assessment and represent elements, that if improved, will improve the overall Safety Management System and reduce incident frequency.



## Appendix 2 - Detailed Observations and Recommendations

### Top 10 Observations

#	System Element	Audit Question	Observation	Recommendation
3	<b>PLANNING</b>  Manager and Supervisor Safety Goals	Have individual safety goals been established and communicated to every manager and supervisor in the organization?	During employee and management interviews, both employees and supervisors struggled to communicate any specific and measurable safety goals other than "4".	Measurable safety goals should be established for each manager and supervisor. Goals would include both activity and results based targets focused on the risks faced in the assigned areas of responsibility. Managers and supervisors should be well versed in their individual goals and actively working towards achieving those goals.
4	<b>PLANNING</b>  Provision of Resources	Are adequate resources assigned to achieve the program safety goals and objectives and maintain the Safety Management System?	Safety resources are limited as evidenced by delayed or postponed correction of identified hazards due to budget limitations, comments made by personnel, and problems getting approval for expenses related to basic safety costs (training materials, etc.).	Senior management should provide the resources (financial and other) essential to establish, implement, and maintain the safety goals and objectives.
8	<b>PLANNING</b>  Management of Change	Is there a management of change process in place which requires the completion of a safety review when new equipment, processes, materials are being considered?	No written procedure is in place requiring a safety review prior to changes in equipment, processes or materials. The safety personnel may occasionally be asked to review a new piece of equipment, process or material but often after the change has already been made.	A written procedure should be in place which requires the completion of a safety review when any new equipment, processes, or materials are being considered. Any risk issues identified during the review should be resolved prior to implementation/purchase of the item being reviewed.
11	<b>PLANNING</b>  Employee Participation	Are employees expected to actively participate in safety and health activities?	Employee involvement is limited to passive "audience" role in safety meetings. There is little other employee involvement in safety and health activities	Supervisors and employees should be trained to conduct audits for unsafe acts and be active in safety meetings including presenting topics. Management should solicit input from employees on a wide range of safety and health issues, including promotional programs, safety rules and procedures, and recommendations for safety controls.

#	System Element	Audit Question	Observation	Recommendation
12	<b>PLANNING</b>  Safety Management System Implementation	Has a Safety Management System been established, implemented, documented and maintained? Are the responsibilities for implementing the safety management system clearly defined?	A written Safety Management System plan has been created but few, if any employees are aware of its existence. The plan appears geared towards quality and production; safety is not a prominent theme.	A written safety management system (such as OHSAS 18001) should be developed which includes a plan that outlines the means by which the organization establishes goals, identifies how risks are assessed and controlled, and reviews the effectiveness of the system on an annual basis. All employees should be trained and familiar with the contents of the plan. The plan should be updated whenever there is a change in risks and/or control strategies.
14	<b>IMPLEMENTATION</b>  Management and Supervisor Engagement	Have managers and supervisors clearly communicated and demonstrated their support regarding safety?	Some supervisors are actively involved in the safety and health program however there appeared to be a consistent trend of partial divestiture of supervisor safety management responsibility to the safety technician. Most employees feel that supervisors are committed to safe to a safe workplace however few could site any specific examples aside from providing toolbox talks.	Managers and supervisors should take ownership of the safety program and have an active role in all aspects such as training, hazard inspections, risk assessments, new process reviews, incident investigations, etc. Employees should be able to communicate specific examples of management's commitment to safety.
23	<b>IMPLEMENTATION</b>  Manger and Supervisor Safety Training	Do managers and supervisors receive safety management training to ensure they understand their roles in the safety program and basic safety skills such as accident investigation?	Managers and supervisors receive no safety-specific training or supporting materials. (see #12)	Mandatory safety training should be provided to newly hired or newly appointed managers and supervisors. Responsibilities and procedures should be clearly defined and easily accessible. These materials should be updated periodically, at least every year. There should be a test for knowledge to confirm training effectiveness. Managers and supervisors should be able to demonstrate their understanding of this training.

#	System Element	Audit Question	Observation	Recommendation
24	<b>IMPLEMENTATION</b>  Training Management System	Is there a training management system in place?	A training management system is not in place. Documentation of training is loosely maintained. Annual training is still called "lead" training, employees do not view this, or toolbox safety talks, as safety training. Toolbox talks are repetitive and non-engaging.	A system should be established where the training needs for each employee have been identified and used to create a training schedule. Training dates should be logged in upon completion of the training allowing training gaps to be readily identified. Training results should be reviewed on a monthly basis by management to assure compliance with the training schedule. Training should be provided in a manner and is subject that engages the employees.
29	<b>EVALUATION</b>  Monitoring of Safety Performance	Are manager and supervisor safety performance indicators measured and monitored?	Performance indicators are based on the entire department, but there is no evidence of those results being used during the individual performance appraisal process or any performance improvement plans.	Leading and lagging performance indicators for each manager and supervisor should be required, measured, tracked and reported to Senior Management. Meeting or exceeding objectives should be recognized. Action plans should be created to address negative safety performance trends in a timely fashion (not waiting until year end performance review).
30	<b>EVALUATION</b>  Disciplinary Program	Is there an effective disciplinary process in place which is used for safety related issues?	A disciplinary process has been developed for safety related non-compliance issues, but is not uniformly instituted and enforced. Violations of existing safety requirements observed, employees working in unsafe manner or bypassing safety devices provided with equipment.	A disciplinary process should be enforced for dealing with safety performance issues. The process should include specific language that applies to safety related non-compliance issues and may even call out specific circumstances requiring prescribed disciplinary action. Examples of safety related disciplinary actions should be made available. Observations confirm the level of compliance.



## Second 10 Observations

#	System Element	Audit Question	Observation	Recommendation
1	<b>PLANNING</b>  Senior Management Expectations	Has senior management defined safety roles and responsibilities for all employees throughout the organization?	Safety roles and responsibilities have been documented at a high level but with little detail. Communication of the roles and responsibilities is ineffective as demonstrated during interviews. Interviews reveal inconsistencies between managers and supervisors in their understanding of the overall roles and responsibilities of the organization.	Senior management should define, document and effectively communicate safety roles and responsibilities to all employees throughout the organization. The objective is a high level of awareness and understanding at all levels of the organization.
5	<b>PLANNING</b>  Safety Personnel	Are safety personnel's competencies, qualifications and level(s) of authority adequate for the safety risks present within the organization?	Safety personnel can manage certain aspects of their safety needs but require some support from senior management to help adequately provide a safe environment for the risks present in the organization. There may still be needs in terms of headcount and/or technical expertise/experience but the program appears to be relatively effective.	Re-evaluate the number of personnel assigned to support/manage the safety risks present in the organization. The technical competencies and qualifications should meet or exceed the needs of the site. The safety personnel should be given adequate authority needed to establish, implement, document and maintain the safety program.

#	System Element	Audit Question	Observation	Recommendation
15	<b>IMPLEMENTATION</b>  Safety Policy	Is there a written safety policy signed by the highest level of management describing the establishment and maintenance of a safe and healthful workplace?	It is unclear if there is a written safety policy signed by the highest level of management. The policy may or may not be posted or accessible and few employees are aware of the policy.	There should be a written safety policy signed by the highest level of management describing the establishment and maintenance of a safe workplace. The policy should be clearly and prominently posted and communicated to all employees, included in safety orientation, and updated when there is a change in management. All employees should be aware of the policy.
22	<b>IMPLEMENTATION</b>  Ongoing Safety Training	Is there a formal, safety and health training program in place which addresses job-specific safety topics and regulatory compliance training for supervisors and employees?	A detailed new employee safety orientation program is provided, however ongoing training should be enhanced. Employees and Supervisors could only relate recent LOTO training and the annual 2-hour refresher is still called lead training and is not thought of as safety training. Toolbox talks have become repetitive and full attention is not being given. Follow-up training is performed sporadically as dictated by operations schedules. Supervisors clearly lack training in hazard awareness and evaluation.	A formal safety and health training program should be in place. The training topics should be defined for each job class. Training sessions should be customized to specific operations and allow for employee participation. Written documentation of the training should be maintained. A test should be given at the end of each training session to confirm quality of training, understanding and comprehension by attendees. Supervisors and employees should be encouraged to demonstrate their understanding of the safety topics and their roles within the safety program.

#	System Element	Audit Question	Observation	Recommendation
25	<b>IMPLEMENTATION</b>  Communications	Are there adequate processes in place to communicate safety related information to the workforce?	Limited safety related information is communicated using posters, signs, etc., but little attention is paid to updating and refreshing the information. Information regarding safety performance is based solely on the company goal of a 4.0 OSHA recordable rate.	Multiple methods should be used to communicate safety related issues to the employees. Employees should be kept up to date on safety results, incident investigations, results of hazard and risk assessment activities, safety committee minutes, and risk improvement projects. Employees should be encouraged to share ideas and concerns as well as provided with tools for success across the workforce. Communications tend to be one way with little engagement of employees.
27	<b>IMPLEMENTATION</b>  Safety Committees	Has a safety committee been established? Do all employees have an opportunity to participate?	A safety committee is in place but only a limited number of employees are involved or represented. A cross section of the organization is not represented. Representation is predominantly either management or employees from a limited number of departments. Meeting minutes are kept but are often not posted or shared.	A safety committee or team should assist in the development and implementation of the safety program. The membership of the safety committee or team should represent a cross-section of employees and management (including all shifts). There should be an adequate number of meetings scheduled. Meeting minutes should be posted and shared with all employees, in all departments. A review of the minutes would demonstrate a highly effective committee positively impacting the safety program (metrics).

#	System Element	Audit Question	Observation	Recommendation
28	<b>IMPLEMENTATION</b>  Employee Engagement and Consultation	Are there other opportunities, besides safety committees, for employees to engage in and consult on safety issues?	The safety committee and the suggestion box are the only means for employees to get involved in the safety process. The safety committee has somewhat limited representation and does not rotate membership on a regular basis. Employees are rarely asked to participate in safety activities that involve their work areas or skill sets. Overall, employee involvement in safety related activities is limited.	Senior management should create multiple ways for employees to get involved in the safety process and strongly encourage every employee to do so. Participating on ergonomic review teams, developing policies, completing JSA's/ risk assessments, becoming a member of the emergency response team, performing or participating in training, and performing hazard inspections are a few examples. A significant percentage of the workforce should be meaningfully contributing to the safety program.
33	<b>EVALUATION</b>  Corrective Action Management	Is there a system in place for tracking corrective actions to closure?	Corrective actions tracking is informal and inconspicuous. The emphasis on completing corrective actions in a timely manner is based on production as opposed to the severity of risk. Target dates may or may not be established, corrective actions may not be completed in a timely manner. Interviews with employees and supervisors indicate serious safety issues are addressed quickly but there may be a delay in correcting issues not presenting an immediate hazard.	A dedicated system should be established to track corrective actions generated by safety audits, accident investigations, risk assessments, and employee concerns. Target dates for completion (based on level of risk) should be established and enforced by department management. Individuals should be assigned responsibilities and the list is reviewed on a regular basis.

#	System Element	Audit Question	Observation	Recommendation
35	<b>EVALUATION</b>  Self-Audit of Programs	Is there a program in place which ensures all elements of the Safety Program are audited at least annually?	No schedule for regular Safety Program audits are in place.	A written Safety Audit Program should be in place that outlines the frequency and methodology for reviewing all safety program elements on an annual basis. The audit process should assess program effectiveness, compliance with regulatory requirements (where applicable), and reflect actual work practices. Results should be documented and corrective actions are created when necessary.
36	<b>IMPROVEMENT</b>  Safety Management Review	Does senior management review all aspects of the safety program on an annual basis?	Management sets new OSHA goal each year, but they are simple percentage reductions desired in the number of workplace accidents (e.g. 10% reduction year over year) or may even be generic vision statements such as "provide a safe work environment." No annual review of safety issues is completed on an annual basis.	Management should conduct an annual review that includes results achieved compared to objectives and goals (leading and lagging), incident trends, results from program self-audits, etc. The process should also include a look forward to anticipate changes in processes/equipment that will impact risks in the workplace. The information should then be used to set new goals, objectives or targets for the next time period which are fully integrated into the other operational metrics. Action plans are then created to support the goals.



All Marsh Risk Consulting reports and recommendations are purely advisory and for the purpose of assisting clients in risk control and safety procedures. Observations and recommendations are the result of practices and conditions observed and information made available to us at the time of our visit. They do not purport to refer to, or guarantee, compliance with all local, state, federal, country, or international regulations that may be applicable to such practices or conditions. This report should not be considered a definitive listing of all existing hazards or an absolute solution to all indicated hazards. Marsh assumes no responsibility for the implementation, management, and operation of risk control and/or safety procedures.